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EXPERIMENT STATION FILE

Do Farmers Want the Federal Government to Help Them Deal with Farm Problems ?

DISCUSSION
SERIES B N°2

though other parts be showing high yields. The government officials are better able than any individual or group of lot owners to make policies which will relate the interests of the parts to the interest of the whole."

There we have three answers to the question, "What is the right relationship of the state to business?"

Group 1 says, "The best relationship for the state to have with business is **TO LEAVE IT ALONE.**"

Group 2 says, "The best relationship for the state to have with business is **TO BE A POLICEMAN.**"

Group 3 says, "The best relationship for the state to have with business is **TO DO SOMETHING ABOUT IT.**"

The pages that follow give, at a little greater length, what each of these groups says about the state's relation to business. The statements are given in the groups' own words.

The statements by no means represent all of the different points of view which are commonly held. Many people, for instance, would make their view of the proper relation of the state to business out of a combination of two or even three of the views indicated. They might say, we are generally in favor of the Leave-It-Alone State, but we think that for certain limited purposes the state ought to have policeman's powers. They might say, we think that the Policeman State is adequate for most circumstances, but in times of emergency we think the state ought to Do Something About It. Or they might say, none of these views goes far enough. Instead of a state which does only Something about it, we want a state that plans and directs the entire economic life of its citizens, like some of the states abroad. The three views stated in the course of the next pages are only samples. Before making up his mind which view of the state he wants to make his own, the reader will doubtless wish to consider a number of views other than those which are here presented.

The Leave-It-Alone State

The group that would like to live in a Leave-It-Alone State takes its economics from Adam Smith. It believes that the farm business is no different from any other business, that all business does best when left to its own devices. The views of this group may be summed up about as follows:

By “doing best” this group means not only best for the particular individuals who are running a particular business, but best for the community as a whole.

If the state will only keep out of the economic field, the argument continues, the community’s demand for goods can be freely expressed through the market, and the rise and fall of prices will regulate the amount and kind of goods produced so that the consumer—and everyone is a consumer—will get what he wants as nearly as the national wealth makes possible.

In other words, where the economic field is free from state restrictions, and where everybody who is in business is engaged in a search for profits in competition with all the other people who are in business, the nation’s economic plant—

1. Offers its products at the lowest price possible under available means of production;
2. Shifts rapidly from the production of one kind of goods to the production of new and different goods as soon as the public makes known its preference.

If the government can be kept out of the economic process, responsibility for the production of goods can be assumed by the people who are directly concerned in producing them, who know the situation at first-hand. The farmer knows the farm he operates better than anybody else; who can judge better than he what ought to be done with it? The farmers who peopled the great open spaces of our continent didn’t go running to a government bureau to find out what to plant and how much to plant of it.

Men who bear such responsibility, moreover, are likely to develop the very qualities which have built this nation. They are likely to be self-reliant, to be always on the lookout for new things to do and for new ways to do them. This group of thinkers holds that the progress of America from a scarcely inhabited wilderness to one of the great powers of the world in eight generations shows what free enterprise can do if it has a free hand.

Politics and business don't mix. The business man makes his decisions in terms of the figures that show up on balance sheets. The politician makes his decisions in terms of the figures that show up on election returns. The most farsighted economic decisions, just because they are farsighted, are likely to make the least appeal to electors at the moment the election is held. If the government is in business, it is a rare politician who will hesitate to destroy economic capital if he thinks he can make political capital out of it, in the belief of the Leave-It-Alone adherents.

They apply that statement to the legislative arm of government. The administrative arm is just as unsuited to dealing with business situations. It is far removed from the actual facts of the individual firm or the individual farm. Its cumbersome machinery grinds into action so slowly that the business man's time and money are lost waiting for decisions to come through.

The only thing government in business can do quickly is to generate red tape, they charge. When it comes to the mass production of rules and regulations, however, nothing can equal government machinery. And the bureaucrat is never satisfied with the field which has been allotted him. He will spread out a little here, and spread out a little there, until support of the whole top-heavy government structure gets to be more than the nation's business, no matter how well run, can possibly stand.

Competition, and the motto "Let the Best Man Win", is what has built America. Individual self-reliance was

laid as the nation's cornerstone. No single group in the American economic set-up has typified the virtue of individual self-reliance more consistently than the farmer. The more he can keep the government out of his business the better off he will be.

So say the people in Group 1.

The Policeman State

The people in Group 2 would like to live under a Policeman State. They agree with the people in Group 1 (who would like to live in a Leave-It-Alone State) that free competition is much to be desired, but do not agree that free competition takes place naturally in the absence of government action.

They agree that the farm part of the American economy developed pretty much as supporters of the Leave-It-Alone State describe, but they show that the industrial part developed differently.

They challenge the assumptions of Group 1 by pointing to the development of corporations, of monopolies and near-monopolies in industry and finance during the time when America was being developed. They show how the ruthlessness of the competition of these corporations was rapidly making all competition in their fields impossible. They point to the government action taken to restrain these practices as just what they think the Policeman State should do. And they add that much of the government action of which they approve was taken at the demand of the farmers.

They believe that this country is dedicated to the maintenance of equality of economic opportunity, and they mistrust bigness. Not every citizen can have his chance if important fields of business endeavor are dominated by large corporations against which one individual, even if he has far more than average ability, doesn't stand a chance.

If the economic opportunity that America has symbolized is to be maintained, they say, the state must have and must exercise a veto power over economic action. The state should not be empowered to tell business what it shall do, but it is indispensable that the state should be empowered to tell business what it shall not do.

Among the acts indulged in by business, largely by corporate business, which this group holds it is a proper function of the state to veto are:

Levying excessive charges for distributive services (railroad and warehouse legislation, Interstate Commerce Commission, public utility commissions).

Monopoly in restraint of trade (anti-trust laws, Federal Trade Commission).

Waste of the natural resources on which the business prosperity of the entire country ultimately depends (conservation laws).

Waste of human resources (minimum wage, child labor, maximum hours laws).

Misrepresentation (Pure Food and Drugs Act, blue-sky laws, laws for inspection of banks and factories, quarantines).

Measures like these provide a set of rules for the economic game, by means of which fair play is possible, this group contends.

They create opportunities for the display of the individual self-reliance on which advocates of the Leave-It-Alone State rightly place so much importance. Action by the Policeman State to prevent the kinds of abuse just listed makes it possible for people to go about their business in the economic field in the same way that action by the county police in preventing housebreaking and hold-ups makes it possible for citizens to carry on the affairs of their community in safety.

The Policeman State should see to it that every worker in the economic field, so long as he abides by the rules of fair competition, should not be hindered in showing his ability to make goods for the market.

But, the people in Group 2 go on to emphasize, the Policeman State should not assist individuals in working their parts of the economic field any more than the local policeman should go off his beat and do hired man's work for a farmer.

If we have police protection of this sort, the market can work in the way the advocates of the Leave-It-Alone State desire. With monopolies out of the way, prices will move up and down in response to consumers desires. The quantities and kinds of goods produced will be more nearly those wanted than they would be under any other system, and prices will be as low as they can be and still provide a return to the producer.

So say the people in Group 2.

The Do-Something-About-It State

The people in Group 3 are advocates of the Do-Something-About-It State. They agree that a Policeman State is preferable to a state which simply washes its hands of the whole economic process. But they insist that the Policeman State cannot guarantee the equality of economic opportunity which its advocates desire. The reasons why the Policeman State cannot do what is expected of it, they continue, are of particular importance to the people whose business is done on farms.

The Policeman State attempts to give the little man a chance by keeping the big man from squeezing him out of the picture. It even puts the big man through certain reducing exercises, in an effort to do away with differences in size.

Modern methods of producing goods render the policeman's efforts hopeless. Mass production means big factories. Big factories mean the investment of lots of money. Nine times out of ten such investment is easier to organize by means of a corporation than in any other way.

Without becoming monopolies or doing any of the other things which would justify the Policeman State in making

an arrest, corporations can control the production of the goods in which they are interested in ways that individuals can't. The kind of competition which backers of the Policeman State desire just doesn't take place in that part of the economic system where corporations are common. If any measure of equality of opportunity is to be secured, the state must take on new functions which will enable it to deal with new ways of producing goods.

Take what has happened to the functions of the local policeman in the course of the last generation.

The policeman of the 1900's, who walked his beat swinging a night stick, would be utterly ineffective in keeping order today. Nowadays our policemen have gas bombs, bullet-proof vests, automatic pistols, and even machine guns, and they go about in radio-equipped cars directed from a central office.

These changes have come about in respect to the policeman's old duty of preventing housebreaking and hold-ups. But there are also changes in the very things that policemen have to do.

In the days before the war, mothers might caution their children to be careful if Mr. Jones came down the road with that high-stepping strawberry roan of his, but there was no policeman standing out in front of the little red schoolhouse to give them a chance to cross the street every few minutes.

When would the workers who leave their factories in big shifts, or the office people who stream out of big city buildings at five o'clock ever get home if there weren't traffic cops at city street intersections?

These traffic cops say "Stop", and the traffic stops. They say "Go", and the traffic goes. Moreover, their system of directing traffic is coordinated over the whole city. Lights are timed to keep traffic flowing. With the aid of this city-wide planning, people get home on time.

Out in the country, fewer traffic cops are needed, though hard roads and automobiles have added new duties to the county forces as well as to the men on patrol in city precincts.

What the advocates of the Do-Something-About-It State want is for the Policeman State to take on new duties in recognition of the new problems set by the growth of large urban and industrial centers, by the growth of areas whose life is run by corporations more than by individuals.

Advocates of the Do-Something-About-It State concede that if the whole of American economic life were like life in most of the farming areas of the country, the economics of the Leave-It-Alone State might come into operation. They say: "Notice how the kind of legislation approved by supporters of the Policeman State came into being."

The railroad legislation, antimonopoly laws, and provisions for government inspection which gave the United States Government many of its policeman's duties between the '80's of last century and the beginning of the World War, were passed as the result of farm protest against the practices of corporations.

Those laws were really an attempt to make over the city part of our economy in the image of rural America.

Urban America, corporate America, was both too strong and too different from rural America for that effort to succeed.

The years since the war have shown that the equipment and the duties assigned to the old-style Policeman State are not such as to enable it to keep order in the economic field. That is why conviction has grown that the state must Do Something About It.

The awakening of farmers to the situation is shown in a long series of post-war proposals for legislation concerning the farm business.

Some of this legislation has made an effort to treat agriculture like industry. This effort was as futile as the preceding efforts to treat industry like agriculture—raising the tariff on farm products that were on an export basis just because tariffs helped industries that were on a domestic basis is an example, this group holds.

Other proposals, however, have sought to provide economic rules that, while recognizing the differences between agriculture and industry, would enable them both to take their respective parts in the economic whole. The succession of farm legislation beginning with the McNary-Haugen bill and going through the Farm Board to the Agricultural Adjustment Administration illustrates this process.

This group believes that these proposals do not turn the farm business over to the state. What they do is to make possible positive state action to aid the economic community, the group asserts. They do put a central traffic bureau onto the problem of the jams and accidents which have been frequently occurring with loss to all concerned. Initiative continues to rest with the individual drivers of the cars that make up the traffic, but by common consent the flow of traffic is regulated by the man with the whistle where the highways intersect.

What do the advocates of the Policeman State and the Leave-It-Alone State say in reply to the people who declare that the state *must* Do Something About It?

The backers of the Policeman State say that bigness in government is just as bad as bigness anywhere else. The Policeman State discourages bigness anywhere. If you set up big government organizations to match big business organizations, the chances of life being freely lived by free individuals fly out the window.

We're now engaged in paying for too rapid a shift from country to city. The rate of change in the way we make our economic goods is likely to be slower in the future than in the recent past, and a move out into the country is apparent everywhere. As America settles down again to more tranquil living, the Policeman State will be quite able to handle the situation, this group argues, and we won't have saddled ourselves with a government as unwieldy and in the end as harmful as the corporations have been.

Advocates of the Leave-It-Alone State go still further in objecting to the state taking positive action in the economic field. They say that, in the first place, the government cannot administer an economic set-up without stifling business initiative. This is true not alone because with the government in business the self-reliance of the individual will gradually be lost. It is true also because a public bureaucracy cannot make the quick decisions that competition daily forces on private firms; a bureaucracy resists nothing more persistently than it resists change.

Furthermore, once the state gets into the economic process, as shown by both common sense and the experience of other countries, it can't stop. If it starts tinkering with the economic machine in one place, pretty soon that tinkering will cause a jam somewhere else down the line. Then something else has to be done. A state that starts to Do Something About It is sure to end by "Doing Everything About It", and that means the ruin of the American economic system.

To which the advocates of the Do-Something-About-It State reply, "not while America sticks to democracy." For the actions of a democratic state are subject to the continual correction of free speech and a free press, and to the periodic correction through elections. If the citizens of a democracy believe that economic opportunity can be secured by a government that helps to canalize economic forces into certain channels instead of leaving their action to chance, they choose a government with an aggressive economic program. If they believe that under such a program equality of economic opportunity is not being secured, the way is open for them to say so.

Which of these views of the state's relation to business and agriculture do you think is most nearly correct?

How would you state your own view?

Should the Federal Government leave farm scientific experimentation to county and State governments? To private individuals?

Are consumers of farm products entitled to protection by the Government against poor quality, false weight, and high prices?

Should the common economic problems of farmers be left to solution by farm cooperatives, owned, managed, and financed by farmers?

Which Course do You Favor?

Your
Choice

The Government
should stay out of
the farm business.

The Government should
be a policeman ~ ~
to insure free competition.

The Government should
be active in solving
farm problems.

Which Way do You Think
We are Going?

